



Clingendael

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CAMBODIAN INSTITUTE FOR
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Partners for a transformed future: Strengthening EU-ASEAN cooperation on the green and digital transition

Faced with a changing geopolitical world, the EU and ASEAN are stepping up their cooperation in the green and digital domain. On 2 November 2023 in Siem Reap, Cambodia, the Clingendael Institute and the Cambodian Institute for Cooperation and Peace (CICP) gathered 50 representatives from governments, intergovernmental organisations, civil society, and academia from both ASEAN and the EU, to discuss how to operationalise cooperation between the two blocs. This two-pager presents the results of the discussion in the form of tangible steps that should guide the EU-ASEAN Strategic Partnership, notably in the areas of digital connectivity, water management, power grid, and climate security.

Despite differing levels of development, institutional capacity and regional integration, a strong and equal EU-ASEAN Strategic Partnership needs to be based on **mutual benefits** and **local needs**. Policymakers and experts stressed the importance of dialogue and access to financial resources. The EU and its member states could engage with their ASEAN counterparts on topics where they have **technological capacity** and **know-how**, which are the areas where ASEAN sees an added value in cooperating with the EU, next to China, Japan, South Korea, Australia and the United States. Of key importance will be to create investment opportunities that prioritise economic growth in ASEAN while advancing EU economic security and position as global leader on the twin transition.

DIGITAL CONNECTIVITY | Lessons from the EU-Singapore Digital Partnership Agreement for the EU-ASEAN partnership

- **Balance region-to-region cooperation with bilateral cooperation:** Bilateral cooperation works better for skills development, human capacity and infrastructure investments, as it allows to acknowledge the different development levels and priorities of ASEAN member states. That being said, for data governance, data regulation and cybersecurity, region-to-region cooperation at the EU-ASEAN level is preferred. There is a desire for simplified regulatory landscapes, private sector training to enhance awareness – for example of cyber security – and investments in technologies that advance sustainability goals.
- **Continue and accelerate cooperation on the ASEAN Digital Index (ADIX):** While ASEAN member states have different priorities and levels of data availability, ADIX offers valuable benchmarks for policymaking and investments in specific areas by identifying gaps. Infrastructure – both hardware and software – is key as it is the backbone of digitalisation. The EU and ASEAN should continue cooperation on developing ADIX as part of the Enhanced Regional EU ASEAN Dialogue (E-READI).

WATER MANAGEMENT | Smart water management and climate adaptation in the Mekong region: bridging the gap between policy and practice

- **Increase efforts to contribute to the Mekong Fund in order for the Mekong River Commission (MRC) to engage in capacity building:** As the primary governing body of water management in the Mekong River, the MRC should be enabled to bolster its capacity-building initiatives, thus strengthening its ability to address regional water-related challenges, including the issue of hydropower and disaster risks. Therefore, the EU should continue providing financial and technical support to the MRC.
- **Support institutional alignment:** Integrating water management into international law could be a way to ensure institutional alignment among the plethora of organisations present in the region. The EU could support the creation of legal frameworks and principles as well as the strengthening of ASEAN bodies through its long experience as an institution, while being adaptable to the context of ASEAN.
- **Encourage constructive dialogue among all riparian countries:** In their close cooperation, the EU, ASEAN and MRC could encourage dialogue among all six riparian countries, including China, as the transboundary nature of the Mekong necessitates the involvement of the lower, middle and upper riparian countries to effectively manage water resources and disaster risk.

POWER GRID | ASEAN Power Grid and EU Energy Union: lessons learnt and common pathways

- **Invest in dialogue on technical, regulatory, and institutional frameworks:** Both EU and ASEAN aim to expand cross border power transmission, notably with the Energy Union and the ASEAN Power Grid (APG). As part of the EU-ASEAN Energy Dialogue lunched in December 2022, the EU and ASEAN could set up a working group bringing together experts from the networks of transmission operators (i.e. ENTSO-E and HAPUA). In this way, EU and ASEAN stakeholders could share best practices on regulatory, institutional and technical frameworks of power interconnectors, storage and trade.
- **New renewable energy installations need to go hand in hand with investments in the grid:** To integrate higher shares of renewable energy sources (RES) in the energy mix while avoiding grid instability and blackouts, the EU and ASEAN need to increase investments in grid connectivity. To access finance for the APG, ASEAN countries could tap into existing financial frameworks aimed at decarbonisation, such as the Green Team Europe Initiative and the Just Energy Transition Partnership with Vietnam and Indonesia.

CLIMATE SECURITY | Climate Security Practices in Southeast Asia

- **Mainstream climate security into policy development processes of ASEAN and EU member states:** To effectively mainstream climate security, strong cross-sectoral coordination is needed for access to data, capacity development and policy coherence. Greater awareness and understanding of climate security amongst policy- and decision-makers is a key step to translating the concept of climate security into the logic of national institutions.
- **Primary data is crucial to assess the costs and benefits for informed policy and practice:** The EU and ASEAN could provide more financial resources for research to understand the local cross-sectoral impacts of climate change on the Water-Energy-Food nexus. To ensure support from various ministries, policymakers could tailor the evidence-based climate security discourse to the respective ministry.
- **Foster transregional collaboration to tackle climate-induced migration:** To address the intricate challenges of climate change, migration and security in Southeast Asia, a robust policy framework needs to be formulated, establishing minimum norms and technical standards to monitor and mitigate climate-induced migration. Transregional cooperation allows for the exchange of best-practices and technical cooperation.

